



Pension Plan

Employees' Retirement System
of Milwaukee County
Monthly Update
June 30, 2013

Total Fund Composite

Manager Status

Market Value: \$1,750.3 Million and 100.0% of Fund

Investment Manager	Asset Class	Status	Reason
J.P. Morgan	Core Fixed Income	In Compliance	---
Mellon Capital	Core Fixed Income	In Compliance	---
Boston Partners	Large-Cap Value	In Compliance	---
Mellon Capital	Large-Cap Core	In Compliance	---
Artisan Partners	Mid-Cap Growth	In Compliance	---
Geneva Capital	Mid-Cap Growth	In Compliance	---
iShares Russell 2000 Value Index	Small-Cap Value	In Compliance	---
Fiduciary Management	Small-Cap Value	In Compliance	---
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	In Compliance	---
Barings	Non-U.S. Large-Cap Core	Alert	Performance
GMO Small-Cap	Non-U.S. Small-Cap Value	In Compliance	---
Barings EM	Emerging Markets	Alert	Performance
ABS	Hedged Equity Hedge FoF	In Compliance	---
K2	Hedged Equity Hedge FoF	In Compliance	---
American Realty Advisors	Core Real Estate	In Compliance	---
Morgan Stanley	Core Real Estate	In Compliance	---
UBS	Core Real Estate	In Compliance	---
IFM	Core Infrastructure	In Compliance	---
J.P. Morgan	Core Infrastructure	In Compliance	---
Adams Street	Private Equity	In Compliance	---
Siguler Guff	U.S. Private Equity FoF	In Compliance	---

Investment Manager Evaluation Terminology

The following terminology has been developed by Marquette Associates to facilitate efficient communication among the Investment Manager, Investment Consultant, and the Plan Sponsor. Each term signifies a particular status with the Fund and any conditions that may require improvement. In each case, communication is made only after consultation with the Trustees and/or the Investment Committee of the Plan.

In Compliance – The investment manager states it is acting in accordance with the Investment Policy Guidelines.

Alert – The investment manager is notified of a problem in performance (usually related to a benchmark or volatility measure), a change in investment characteristics, an alteration in management style or key investment professionals, and/or any other irregularities.

On Notice – The investment manager is notified of continued concern with one or more Alert issues. Failure to improve upon stated issues within a specific time frame justifies termination.

Termination – The Trustees have decided to terminate the investment manager. The investment manager is notified and transition plans are in place.

Total Fund Composite

Market Value: \$1,750.3 Million and 100.0% of Fund

Ending June 30, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		1,750,321,304	-33,015,902	100.0	100.0	0
Fixed Income Composite		404,066,324	-24,146,025	23.1	22.0	18,995,637
J.P. Morgan	Core Fixed Income	330,324,993	-138,056	18.9		
Mellon Capital	Core Fixed Income	73,741,331	-24,007,969	4.2		
U.S. Equity Composite		449,917,240	-382,364	25.7	25.0	12,336,914
Boston Partners	Large-Cap Value	138,348,844	-65,702	7.9	8.0	-1,676,861
Mellon Capital	Large-Cap Core	115,287,700	-11,544	6.6	6.0	10,268,422
Artisan Partners	Mid-Cap Growth	52,636,376	-104,520	3.0	2.5	8,878,344
Geneva Capital	Mid-Cap Growth	44,451,589	-60,758	2.5	2.5	693,557
Fiduciary Management	Small-Cap Value	49,775,749	-66,860	2.8	3.0	-2,733,890
iShares Russell 2000 Value Index	Small-Cap Value	49,416,982	47,979,517	2.8	3.0	-3,092,658
International Equity Composite		336,515,614	0	19.2	20.0	-13,548,647
NTGI ACWI Ex-US	Non-U.S. All-Cap Core	93,879,454	0	5.4	6.5	-19,891,431
Barings	Non-U.S. Large-Cap Core	109,193,899	0	6.2	6.5	-4,576,986
GMO Small-Cap	Non-U.S. Small-Cap Value	80,410,606	0	4.6	4.0	10,397,754
Barings EM	Emerging Markets	53,031,655	0	3.0	3.0	522,016
Hedged Equity Composite		188,922,733	-5,000,000	10.8	10.0	13,890,602
ABS	Hedged Equity Hedge FoF	95,683,081	-2,000,000	5.5	5.0	8,167,016
K2	Hedged Equity Hedge FoF	93,239,652	-3,000,000	5.3	5.0	5,723,587
Real Estate Composite		158,511,210	23,297,639	9.1	8.5	9,733,899
American Realty Advisors	Core Real Estate	34,301,216	-500,484	2.0		
Morgan Stanley	Core Real Estate	108,233,965	23,962,116	6.2		
UBS	Core Real Estate	15,975,613	-163,965	0.9		
Infrastructure Composite		129,895,162	-791,408	7.4	8.5	-18,882,149
IFM	Core Infrastructure	70,060,705	0	4.0	3.5	8,799,460
J.P. Morgan	Core Infrastructure	59,834,456	-791,408	3.4	3.5	-1,426,789

Total Fund Composite

Market Value: \$1,750.3 Million and 100.0% of Fund

Ending June 30, 2013

	Asset Class	Market Value (\$)	3 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Private Equity Composite		43,714,471	-7,703,581	2.5	6.0	-61,304,807
Progress	U.S. Private Equity FoF	26,220	0	0.0		
Brinson 1998	U.S. Private Equity FoF	70,482	0	0.0		
Brinson 1999	U.S. Private Equity FoF	339,440	0	0.0		
Brinson 2000	U.S. Private Equity FoF	1,060,453	0	0.1		
Brinson 2001	U.S. Private Equity FoF	1,801,362	-302,772	0.1		
Brinson 2002	U.S. Private Equity FoF	1,273,728	-173,598	0.1		
Brinson 2003	U.S. Private Equity FoF	1,172,310	0	0.1		
Brinson 2004	U.S. Private Equity FoF	1,608,307	-212,277	0.1		
Adams Street 2005	U.S. Private Equity FoF	7,323,962	-233,275	0.4		
Adams Street 2009	U.S. Private Equity FoF	13,440,840	598,341	0.8		
Adams Street 2012	Global Divers. Private Equity FoF	3,254,244	620,000	0.2		
Siguler Guff	U.S. Private Equity FoF	12,343,123	-8,000,000	0.7		
Total Cash Equivalents		38,778,551	-18,290,164	2.2	0.0	38,778,551

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$1,750.3 Million and 100.0% of Fund

Ending June 30, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	-0.9%	0.6%	4.6%	11.4%	5.7%	9.7%	10.6%	4.9%	5.0%	7.3%
<i>Total Fund Benchmark</i>	-1.5%	-0.2%	4.2%	9.9%	5.4%	9.9%	10.2%	4.5%	4.7%	6.8%
Fixed Income Composite	-1.4%	-2.0%	-1.8%	0.2%	3.6%	3.8%	6.3%	5.8%	6.0%	5.6%
<i>Barclays Aggregate</i>	-1.5%	-2.3%	-2.4%	-0.7%	3.3%	3.5%	5.0%	5.2%	5.6%	4.5%
U.S. Equity Composite	-0.7%	3.2%	14.4%	22.2%	11.0%	17.9%	17.7%	7.8%	6.2%	8.6%
<i>Dow Jones U.S. Total Stock Market</i>	-1.3%	2.8%	14.2%	21.5%	12.4%	18.7%	18.1%	7.4%	6.0%	8.1%
International Equity Composite	-3.8%	-2.2%	0.7%	14.3%	-1.2%	8.5%	8.1%	-1.5%	-0.4%	3.5%
<i>MSCI ACWI ex USA Gross</i>	-4.3%	-2.9%	0.3%	14.1%	-1.0%	8.5%	9.1%	-0.3%	2.6%	9.1%
Hedged Equity Composite	-1.2%	1.4%	6.9%	12.7%	3.9%	6.1%	--	--	--	--
<i>HFRX Equity Hedge Index</i>	-1.9%	-0.5%	4.6%	8.3%	-1.6%	0.0%	0.8%	-3.8%	-1.5%	0.2%
<i>Russell 3000</i>	-1.3%	2.7%	14.1%	21.5%	12.3%	18.6%	17.9%	7.2%	5.8%	7.8%
<i>MSCI ACWI</i>	-2.9%	-0.4%	6.1%	16.6%	4.4%	12.4%	12.2%	2.3%	3.5%	7.6%
Real Estate Composite	4.1%	4.1%	6.5%	12.2%	11.6%	18.1%	18.8%	6.2%	3.3%	10.0%
<i>Custom Real Estate Benchmark</i>	0.0%	0.0%	2.4%	7.2%	9.2%	14.7%	19.9%	4.1%	2.6%	9.1%
<i>NFI</i>	0.0%	0.0%	2.4%	7.2%	9.2%	12.5%	7.3%	-1.8%	1.9%	5.6%
Infrastructure Composite	3.1%	3.0%	1.4%	8.9%	6.0%	9.8%	--	--	--	--
<i>CPI +4%</i>	0.3%	1.1%	3.5%	5.6%	5.4%	6.2%	5.9%	5.2%	6.0%	6.4%
Private Equity Composite	0.0%	0.1%	-0.4%	7.4%	5.1%	11.5%	12.1%	5.1%	8.1%	12.4%
<i>Venture Economics All PE</i>	0.0%	0.0%	0.0%	0.0%	2.6%	8.9%	11.2%	4.3%	7.4%	11.3%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,750.3 Million and 100.0% of Fund

Ending June 30, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	-0.9%	0.6%	4.6%	11.4%	5.7%	9.7%	10.6%	4.9%	5.0%	7.3%
<i>Total Fund Benchmark</i>	-1.5%	-0.2%	4.2%	9.9%	5.4%	9.9%	10.2%	4.5%	4.7%	6.8%
Fixed Income Composite	-1.4%	-2.0%	-1.8%	0.2%	3.6%	3.8%	6.3%	5.8%	6.0%	5.6%
<i>Barclays Aggregate</i>	-1.5%	-2.3%	-2.4%	-0.7%	3.3%	3.5%	5.0%	5.2%	5.6%	4.5%
J.P. Morgan	-1.3%	-1.9%	-1.7%	0.4%	3.7%	3.9%	5.3%	5.6%	5.8%	--
<i>Barclays Aggregate</i>	-1.5%	-2.3%	-2.4%	-0.7%	3.3%	3.5%	5.0%	5.2%	5.6%	4.5%
Mellon Capital	-1.5%	-2.4%	-2.5%	-0.8%	3.3%	3.4%	4.9%	5.1%	5.6%	4.5%
<i>Barclays Aggregate</i>	-1.5%	-2.3%	-2.4%	-0.7%	3.3%	3.5%	5.0%	5.2%	5.6%	4.5%
U.S. Equity Composite	-0.7%	3.2%	14.4%	22.2%	11.0%	17.9%	17.7%	7.8%	6.2%	8.6%
<i>Dow Jones U.S. Total Stock Market</i>	-1.3%	2.8%	14.2%	21.5%	12.4%	18.7%	18.1%	7.4%	6.0%	8.1%
Boston Partners	-0.3%	5.8%	17.6%	29.1%	15.9%	20.1%	18.7%	9.8%	7.5%	10.0%
<i>Russell 1000 Value</i>	-0.9%	3.2%	15.9%	25.3%	13.6%	18.5%	18.1%	6.7%	4.6%	7.8%
Mellon Capital	-1.3%	2.9%	13.8%	20.6%	12.7%	18.4%	17.4%	7.0%	5.6%	7.3%
<i>S&P 500</i>	-1.3%	2.9%	13.8%	20.6%	12.8%	18.5%	17.4%	7.0%	5.7%	7.3%
Artisan Partners	-1.4%	3.3%	12.6%	21.0%	9.9%	21.7%	21.3%	11.1%	10.0%	11.5%
<i>Russell MidCap Growth</i>	-1.2%	2.9%	14.7%	22.9%	9.2%	19.5%	20.0%	7.6%	7.1%	9.9%
Geneva Capital	-0.4%	0.1%	10.9%	--	--	--	--	--	--	--
<i>Russell MidCap Growth</i>	-1.2%	2.9%	14.7%	22.9%	9.2%	19.5%	20.0%	7.6%	7.1%	9.9%
Fiduciary Management	-0.4%	1.9%	15.7%	22.6%	8.7%	16.2%	--	--	--	--
<i>Russell 2000 Value</i>	-0.4%	2.5%	14.4%	24.8%	10.9%	17.3%	19.2%	8.6%	4.6%	9.3%
iShares Russell 2000 Value Index	-0.5%	--	--	--	--	--	--	--	--	--
<i>Russell 2000 Value</i>	-0.4%	2.5%	14.4%	24.8%	10.9%	17.3%	19.2%	8.6%	4.6%	9.3%
International Equity Composite	-3.8%	-2.2%	0.7%	14.3%	-1.2%	8.5%	8.1%	-1.5%	-0.4%	3.5%
<i>MSCI ACWI ex USA Gross</i>	-4.3%	-2.9%	0.3%	14.1%	-1.0%	8.5%	9.1%	-0.3%	2.6%	9.1%
NTGI ACWI Ex-US	-4.4%	-3.1%	0.4%	--	--	--	--	--	--	--
<i>MSCI ACWI ex USA IMI Gross</i>	-4.4%	-3.1%	0.5%	14.4%	-1.0%	8.6%	9.4%	0.0%	2.8%	9.4%
Barings	-2.2%	0.5%	3.3%	13.2%	0.9%	8.1%	7.8%	-2.2%	--	--
<i>MSCI EAFE</i>	-3.6%	-1.0%	4.1%	18.6%	1.1%	10.0%	9.0%	-0.6%	1.4%	7.7%
GMO Small-Cap	-3.2%	-0.8%	7.8%	27.0%	3.0%	15.3%	13.4%	--	--	--
<i>MSCI EAFE Small Cap Gross</i>	-3.6%	-2.4%	5.9%	21.3%	1.7%	12.3%	12.3%	2.8%	2.4%	10.8%
Barings EM	-7.0%	-7.7%	-12.3%	0.6%	-9.5%	0.1%	--	--	--	--
<i>MSCI Emerging Markets</i>	-6.4%	-8.1%	-9.6%	2.9%	-7.0%	3.4%	8.0%	-0.4%	5.8%	13.7%

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$1,750.3 Million and 100.0% of Fund

Ending June 30, 2013

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Hedged Equity Composite	-1.2%	1.4%	6.9%	12.7%	3.9%	6.1%	--	--	--	--
HFRX Equity Hedge Index	-1.9%	-0.5%	4.6%	8.3%	-1.6%	0.0%	0.8%	-3.8%	-1.5%	0.2%
Russell 3000	-1.3%	2.7%	14.1%	21.5%	12.3%	18.6%	17.9%	7.2%	5.8%	7.8%
MSCI ACWI	-2.9%	-0.4%	6.1%	16.6%	4.4%	12.4%	12.2%	2.3%	3.5%	7.6%
ABS	-0.9%	2.4%	7.8%	13.6%	3.8%	6.4%	--	--	--	--
HFRX Equity Hedge Index	-1.9%	-0.5%	4.6%	8.3%	-1.6%	0.0%	0.8%	-3.8%	-1.5%	0.2%
Russell 3000	-1.3%	2.7%	14.1%	21.5%	12.3%	18.6%	17.9%	7.2%	5.8%	7.8%
MSCI ACWI	-2.9%	-0.4%	6.1%	16.6%	4.4%	12.4%	12.2%	2.3%	3.5%	7.6%
K2	-1.6%	0.3%	6.1%	11.9%	4.1%	5.9%	--	--	--	--
HFRX Equity Hedge Index	-1.9%	-0.5%	4.6%	8.3%	-1.6%	0.0%	0.8%	-3.8%	-1.5%	0.2%
Russell 3000	-1.3%	2.7%	14.1%	21.5%	12.3%	18.6%	17.9%	7.2%	5.8%	7.8%
MSCI ACWI	-2.9%	-0.4%	6.1%	16.6%	4.4%	12.4%	12.2%	2.3%	3.5%	7.6%
Real Estate Composite	4.1%	4.1%	6.5%	12.2%	11.6%	18.1%	18.8%	6.2%	3.3%	10.0%
Custom Real Estate Benchmark	0.0%	0.0%	2.4%	7.2%	9.2%	14.7%	19.9%	4.1%	2.6%	9.1%
NFI	0.0%	0.0%	2.4%	7.2%	9.2%	12.5%	7.3%	-1.8%	1.9%	5.6%
American Realty Advisors	3.1%	3.1%	5.4%	10.3%	10.7%	--	--	--	--	--
NFI	0.0%	0.0%	2.4%	7.2%	9.2%	12.5%	7.3%	-1.8%	1.9%	5.6%
Morgan Stanley	5.5%	5.5%	8.1%	14.6%	14.4%	--	--	--	--	--
NFI	0.0%	0.0%	2.4%	7.2%	9.2%	12.5%	7.3%	-1.8%	1.9%	5.6%
UBS	0.0%	-0.3%	1.1%	5.0%	--	--	--	--	--	--
NFI	0.0%	0.0%	2.4%	7.2%	9.2%	12.5%	7.3%	-1.8%	1.9%	5.6%
Infrastructure Composite	3.1%	3.0%	1.4%	8.9%	6.0%	9.8%	--	--	--	--
CPI +4%	0.3%	1.1%	3.5%	5.6%	5.4%	6.2%	5.9%	5.2%	6.0%	6.4%
IFM	6.0%	5.8%	4.5%	11.8%	7.0%	11.3%	--	--	--	--
CPI +4%	0.3%	1.1%	3.5%	5.6%	5.4%	6.2%	5.9%	5.2%	6.0%	6.4%
J.P. Morgan	0.0%	0.0%	-2.0%	5.6%	4.5%	--	--	--	--	--
CPI +4%	0.3%	1.1%	3.5%	5.6%	5.4%	6.2%	5.9%	5.2%	6.0%	6.4%

Total Fund Composite

Fee Schedule

Market Value: \$1,750.3 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Fixed Income	J.P. Morgan	0.20% on the first \$100 million 0.15% on the Balance	0.17% \$545,487	0.24%
Core Fixed Income	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$29,497	0.08%
Large-Cap Value	Boston Partners	0.40% on the first \$15 million 0.30% on the next \$25 million 0.20% on the next \$25 million 0.15% on the next \$35 million 0.10% on the Balance	0.20% \$275,849	0.51%
Large-Cap Core	Mellon Capital	0.04% on the first \$200 million 0.02% on the Balance	0.04% \$46,115	0.09%
Mid-Cap Growth	Artisan Partners	0.80% on the first \$50 million 0.60% on the next \$50 million 0.50% on the Balance	0.79% \$415,818	0.68%
Mid-Cap Growth	Geneva Capital	0.55% on the Balance	0.55% \$244,484	0.78%
Small-Cap Value	iShares Russell 2000 Value Index	0.25% on the Balance	0.25% \$123,542	0.95%
Small-Cap Value	Fiduciary Management	0.70% on the first \$10 million 0.65% on the next \$40 million 0.60% on the next \$25 million 0.50% on the Balance	0.66% \$328,542	0.95%
Non-U.S. All-Cap Core	NTGI ACWI Ex-US	0.08% on the Balance	0.08% \$75,104	0.75%
Non-U.S. Large-Cap Core	Barings	0.75% on the Balance	0.75% \$818,954	0.68%
Non-U.S. Small-Cap Value	GMO Small-Cap	0.75% on the Balance	0.75% \$603,080	1.16%
Emerging Markets	Barings EM	0.75% on the Balance	0.75% \$397,737	0.92%
Hedged Equity Hedge FoF	ABS	0.85% on the Balance *redemptions quarterly with 45 days notice	0.85% \$813,306	1.37%
Hedged Equity Hedge FoF	K2	0.90% on the Balance *redemptions quarterly with 91 days notice	0.90% \$839,157	1.37%

Total Fund Composite

Fee Schedule

Market Value: \$1,750.3 Million and 100.0% of Fund

Asset Class	Investment Manager	Fee Schedule	Expense Ratio & Estimated Annual Fee ¹	Industry Average ²
Core Real Estate	American Realty Advisors	0.95% on the Balance	0.95% \$325,862	1.03%
Core Real Estate	Morgan Stanley	0.90% on the Balance	0.90% \$974,106	1.03%
Core Real Estate	UBS	0.955% on the first \$10 million 0.825% on the next \$15 million 0.805% on the next \$25 million 0.79% on the next \$50 million 0.67% on the next \$150 million 0.60% on the Balance	0.91% \$144,799	1.03%
Core Infrastructure	IFM	1.25% on the Balance Performance Fee: 20% of return above 8% on a rolling three year basis	1.25% \$875,759	1.80%
Core Infrastructure	J.P. Morgan	1.50% on the first \$50 million 1.55% on the Balance Performance Fee: 15% with 7% Hurdle (six year soft lock, effective lock 4.5 years)	1.51% \$902,434	1.80%
Private Equity	Adams Street	0.67% on the first \$50 million 0.60% on the Balance 10% carry on secondaries and co-invest (Effective Rate Over 15 Yr Term)	0.67% \$210,188	1.11%
U.S. Private Equity FoF	Siguler Guff	0.69% on commitment	2.24% \$276,000	3.60%
Cash Overlay	BNY Beta Management	0.025% on the Balance	0.03% \$9,695	0.20%
Total Investment Management Fees			0.53% \$9,275,514	0.77%
Custodian	BNY Mellon	\$50,000 Flat Annual Fee	\$50,000	N/A
Total Fund			0.53% \$9,325,514	

¹ Expense Ratio & Estimated Annual Fee are Based on Market Value at Month End.

² Source: 2010 Marquette Associates Investment Management Fee Study.